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**Welcome to...**

***Invoice Processing in  
MM***

# Welcome and Introductions

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# Course Prerequisites

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✓ Change Discussions

✓ RWD SAP 4.6C



# Course Objectives



- At the end of this course, individuals should be able to use SAP to:
  - Describe the processes used to process payments for contracts/purchase orders
  - Describe the process to ensure that invoices are ready for routing and approval
  - Successfully perform the activities to process commercial invoices before payment is made.
  - Identify the activities to process both valid and invalid invoices
  - Describe how to Return/Reject an Invoice
  - Correctly post invoices which create Standard General Ledger (SGL) entries.



# Benefits of Invoice Processing in MM



- SAP provides an automated means to:
  - Distribute financial data between several business processes
  - Process invoices in the system to meet the requirements of the Prompt Payment Act
  - Enable the Agency to consolidate data from each of the Centers into a single financial report
  - Access to Procurement Contractual Data
  - Access to Goods Receipt Data



# Course Schedule



<u>Agenda Item</u>	<u>Time (hr)</u>
1. Introduction	00:10
2. Background	00:05
3. Topic 1: Enter Invoice or Credit Memo in MM	02:30
4. Topic 2: Validate Invoice	01:00
5. Topic 3: Correct Erroneous Posted or Paid Invoices	02:00
6. End of Course Review/Feedback	00:05
<b>Total Course Time</b>	<b>02:00 hrs</b>



# Course Structure



- Process Flows
  - Overview of key business processes and related SAP concepts
- Demonstrations
  - Trainer-led examples of key SAP transactions
- Exercises
  - Real-life business tasks using Core Financial business procedures
- Training Course Feedback
  - Assessment of course effectiveness using the End-User Evaluation form



# Course Tool: On-Line Quick Reference



- Purpose of the On-Line Quick Reference (OLQR) tool:
  - Provide procedures, job aids, and Help content via the Intranet
  - Assist during and after Instructor-Led Training (ILT) and Web-Based Training (WBT)





# Prepare Your Workspace



- Take a few minutes to prepare your training workspace
  - Review the reference materials; become familiar with the content
  - Logon to SAP R/3



# Background Knowledge

# Background Knowledge



- Key definitions:

- **Park:** Saving invoice data until the invoice can be validated and approved for payment.
- **Save as Completed (Park Complete):** Creating an invoice document in document parking and saving the data to the database. At this step funds are reserved and the Workflow process is started for approval of the applicable invoices.
- **Post:** Creating and saving a document in the database or posting a parked or parked complete invoice and creates the SGL entries.

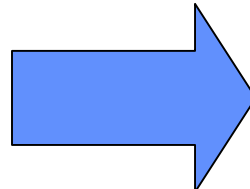
# Background Knowledge



## Differences between SAP and the previous system:

### Old system:

- Only minimal information about purchases readily available for invoice processing
- Obligation created by the Finance Office



### SAP system:

- Accounting Line Items populate the invoice screen providing additional details about purchases
- Obligation is created when Contracting Officer approves the PO or contract

## Topic 1

# Enter Invoice or Credit Memo Data in MM

# Topic 1: Overview



- Enter Invoice or Credit Memo Data in MM
  - Process to enter invoice data and Park Invoices (including a discussion on Perform Distribution)
  - Explains how to reject an invalid invoice
  - Matches a disbursement to cost where no Receiving Report is required
  - Adjusts previously entered invoices
  - Process a parked invoice as Park Complete and/ or routes for approval
- Process Flows: Manage Accounts Payable
  - Sub-Process – Enter Invoice



# Topic 1: Objectives



- Upon completion of Enter Invoice or Credit Memo Data in MM, individuals should be able to accomplish the following:
  - Enter Invoice data and Park Invoice in MM
  - Adjust Invoice
  - Reject Invoice
  - Change Invoice to Park Complete Status and Route Invoice

# Topic 1: Process Flow



## Manage Accounts Payable - Enter Invoice





# SAP Screen -- Manage Accounts Payable: Enter Invoice



## LIV invoice – Basic Tab

Invoice document Edit Goto System Help

Display Invoice Document 5600000380 2003

Show PO structure Follow-on documents

Vendor Invoice Number & PO Number

System generated Invoice Number

Vendor 0000100065

ABC Corporation  
225 Dunlop Blvd  
Madison, AL 35758

Bank acct 222100  
BANK OF AMERICA, NA, ALAMEDA MAIN

PO reference

Quantity

Purchase Order Number

Item	Amount	S	Quantity	Un	Purchase order	PO...	PO text	Tax code	Su...	Ma
2	200.00+		1.000	EA	H-627400	10	Bearings	E0 (A/...		



# SAP Screen -- Manage Accounts Payable: Enter Invoice



## LIV invoice – Payment Tab

Transaction for invoice or credit memo

Payment Method

Payment Supplement Identifies the center

Payment Terms

Transaction: Invoice 5600000380 2003

Display Invoice Document 5600000380 2003

Show PO structure Follow-on documents

Basic data Payment Details Tax Amount split

BaselineDt 10/22/2002 Due on 11/21/2002 Discount 0.00 USD

Pmnt terms 30 Days 0.000

Pmnt meth. 0 Pmnt meth.sup. 62 Pmnt block Free for payment

Vendor 0000100065

ABC Corporation  
225 Dunlop Blvd  
Madison, AL 35758

Bank acct 222100  
BANK OF AMERICA, NA, ALAMEDA MAIN

PO reference

Item	Amount	S	Quantity	Un	Purchase order	PO...	PO text	Tax code	Su...	Ma
2	200.00 +		1.000 EA		H-627400	10	Bearings	E0 (A/		

Display variant All information

0 / 0 Items



# SAP Screen -- Manage Accounts Payable: Enter Invoice



## LIV Invoice - Details Tab

Invoice document Edit Goto System Help

**Display Invoice Document 5600000380 2003**

Show PO structure Follow-on documents

Transaction Invoice 5600000380 2003

Basic data Payment Details Tax Amount split

Unpl. del. csts 0.00

Currency USD Ex. rate 1.00000

Doc. type Invoice - gross Inv. party 100065

Inv. rcpt date 10/25/2002 BusinessArea

Assignment G/L account 2110.1000

Header texts

Perform Distributions

Vendor 0000100065

ABC Corporation  
225 Dunlop Blvd  
Madison, AL 35758

Bank acct 222100  
BANK OF AMERICA, NA, ALAMEDA MAIN

PO reference

Click each time you enter an invoice

Display variant All information

Item	Amount	S	Quantity	Un	Purchase order	PO...	PO text	Tax code	Su...	Ma
2	200.00	+	1.000	EA	H-627400	10	Bearings	E0 (A/...		

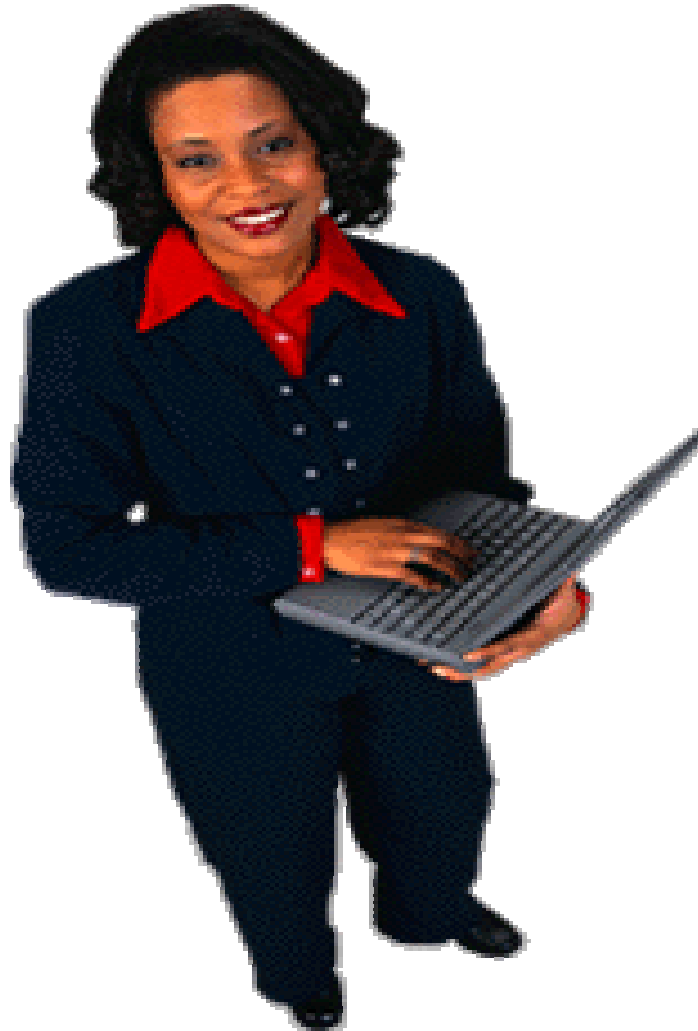
Doc type: e.g., GBL Invoice, IPAC Inbound

0 / 0 Items

900 tr1 svr01 OVR

# Demonstration and Exercise Introduction

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# Topic1: Demonstration and Exercises

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- **Enter Invoice Data and Park**
- **Adjust Invoice**
- **Post Invoice**
- **Reject Invoice**
- **Enter Invoice Data and Park**
- **Change Invoice to Park Complete Status and route Invoice**



# Topic 1: Debrief



- Always write down the SAP invoice document number on the hard copy of the invoice.
- Click the Perform Distribution button when entering invoices
- When changing quantity and dollars, always verify that you have changed the quantity to the correct amount
- Park an invoice when important information needed to post the invoice is missing or unknown.
- Parked invoices can be changed, deleted, posted, and or saved as complete for later posting.
- Once a distribution has been performed on an invoice, it can be can only be reversed manually.



# Topic 1: Debrief



- Changing the invoice status to Park Complete reserves the funds and kicks off the workflow process for approval for the applicable contracts and purchase orders
- Caution: Invoices that are received with approval should not be saved as Park Complete
- Caution: When making changes to an invoice that has been saved as Park Complete, you should click “save” rather than “Save as Park Complete” **unless** you want the changed invoiced to be routed for approval again.



# Topic 2

## Validate Invoice



## Topic 2: Overview



- Validate Invoice
  - The Vendor Payment Processors are responsible for monitoring their business workplace inboxes to check for approvals and disapprovals of invoices
  - Assign disbursements to cost (none 533) where no receiving report is received
  - Final Invoice – Currently the final flag to close out a PO will be done by the Procurement Office
  - The Vendor Payment Processor is responsible for Posting invoices
- Process Flows: Manage Accounts Payable
  - Sub-Process – Validate Payments



## Topic 2: Objectives

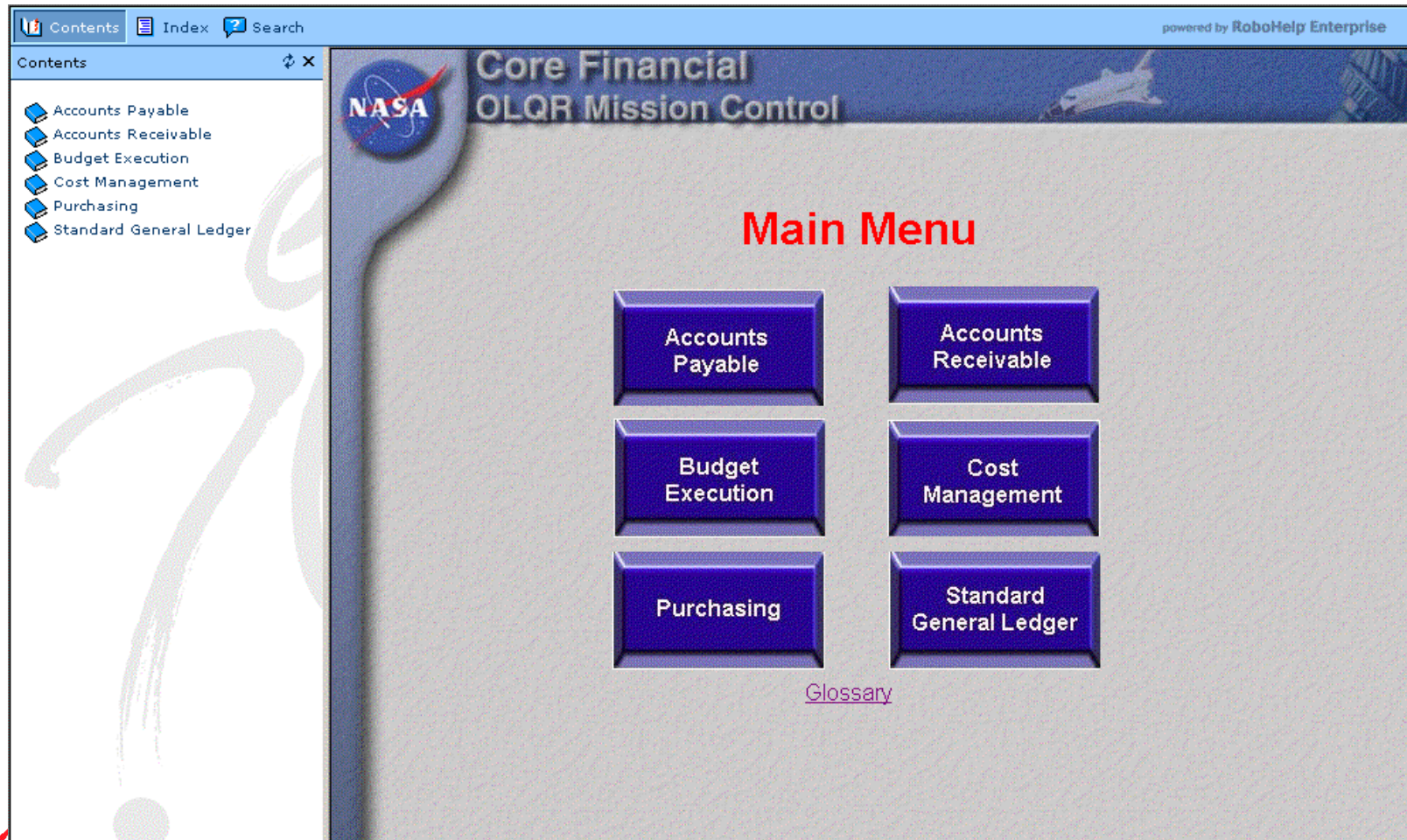


- After completing this topic, individuals should be able to successfully validate an Invoice for payment in the system by accomplishing the following:
  - Check for Invoice Approvals and Disapprovals
  - Match Disbursement to cost (none 533) where no Receiving Report is Received
  - Adjust Payment Amount When Necessary, and Post Invoice



# Topic 2: Process Flow

## Validate Invoice



# Demonstration and Exercise Introduction

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# Topic 2: Debrief



## Check Workflow Inbox

The screenshot shows the SAP Business Workplace interface for Gloria Ayers. The left sidebar displays a folder tree with 'Inbox' selected. The main pane shows the 'Inbox' with a table of messages. The first message is 'Invoice Approval for 5600000377 - 20...' with a date of 07/30/2002. The second message is 'LIV 5600000353 is released' with a date of 07/25/2002. Below the table, the 'Description' section contains a message about a missed deadline for reviewing an invoice. The 'Objects and attachments' section lists an 'Incoming Invoice' with the number 5600000377. The status bar at the bottom shows '900', 'tr1svr01', and 'OVR'.



# Topic 2: Debrief



## Check Workflow Inbox

Workplace Edit Folder Environment Settings System Help

**Business Workplace of Gloria Ayers**

New message Find folder Find document Appointment calendar Distribution lists

Workplace: Gloria Ayers

- Inbox
  - Unread documents 0
  - Documents 0
  - Workflow 1
    - Overdue entries 0
    - Deadline messages 0
    - Incorrect entries 0
- Outbox
  - Documents
  - Started workflows
  - Work items executed by me**
  - Forwarded work items
- Resubmissions
- Private folders
- Shared folders
- Folders subscribed to
- Trash
- Shared trash
- Object history

**Work items executed by me (Since 09/28/2002)**

WV...	Title	Status	Executed on	Executed...	Creation da
	LIV 5600000353 is released		10/28/2002	16:36:52	07/25/2002

**LIV 5600000353 is released**

**Description**

Logistics Invoice 5600000353 is approved by Brian Powell on 07/25/2002. Please take appropriate action and complete posting.

Click on the link below to access this Invoice.

[https://itsTR1.ifmp.nasa.gov/scripts/wgate/bwwi\\_execute/1?WV\\_ID=5600000353&WV\\_ID=5600000353&WV\\_ID=5600000353](https://itsTR1.ifmp.nasa.gov/scripts/wgate/bwwi_execute/1?WV_ID=5600000353&WV_ID=5600000353&WV_ID=5600000353)

**Objects and attachments**

- Incoming Invoice: 5600000353
- Office Document: [Welcome to the World of Approvals](#)

Attachment/note

Displaying Welcome to the World of Approvals in a separate window...

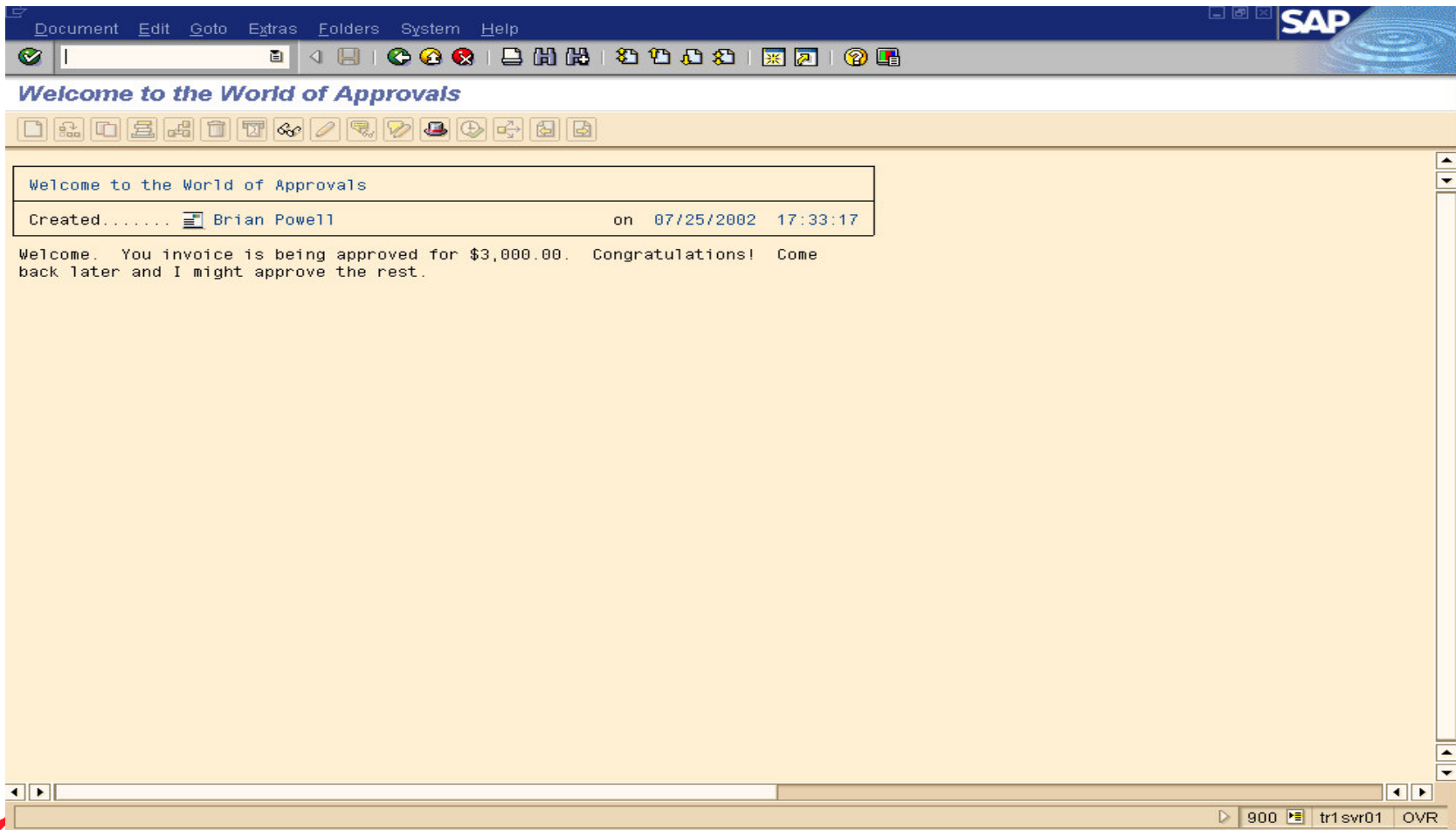
900 tr1 svr01 OVR



## Topic 2: Debrief



### Inbox Message from Approving Official



## Topic 2: Demonstration and Exercises

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- **Check for Proper Approval**
- **Adjust Invoice if necessary**
- **Match Disbursements to Cost**



## Topic 2: Debrief



- Periodically check workplace inbox
- Message from Approving Official can include text
- Setting the flag as final also frees up excess funds after payment is made and closes the Purchase Order/Contract. However this ***is not*** currently a function of the AP office but the Procurement Office will close out the PO
- Only the Procurement Office personnel can re-open a closed PO/Contract



## Topic 3

# Correct Erroneous Posted or Paid Invoice

# Topic 3: Overview



- Correct Erroneous Posted or Paid Invoice
  - Moves disbursements
  - Erroneously posted or paid invoices must be corrected by the Vendor Payment Processor.
  - The Vendor Payment Processor is responsible for Canceling incorrect invoices and disbursements, re-entering invoices correctly and reversing invoices.
- Process Flows: Manage Accounts Payable
  - Sub-Process – Enter Invoice
  - Sub-Process – Recertify Payments
  - Sub-Process – Execute and Manage Payments

# Topic 3: Objectives

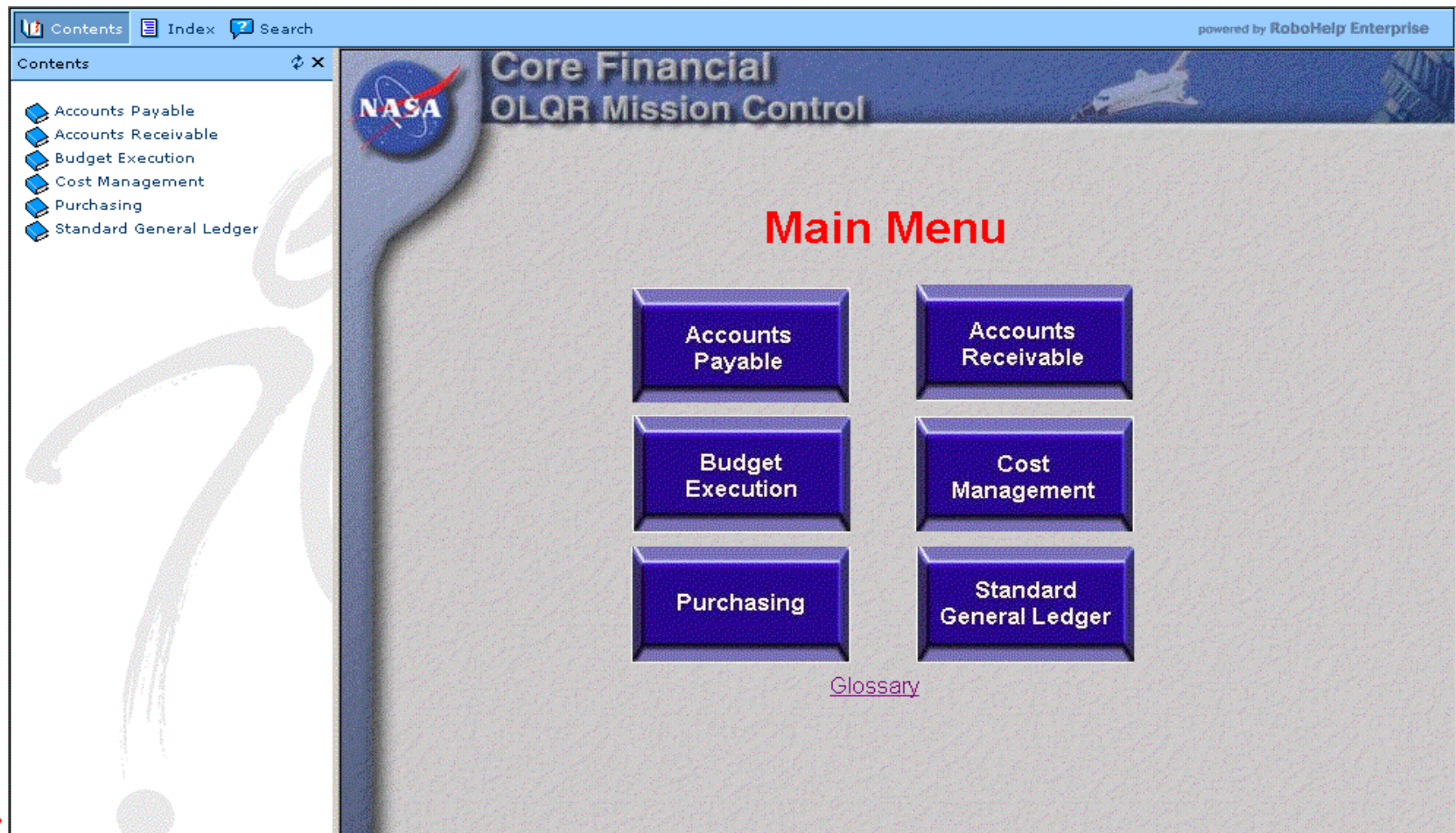


- After successfully completing this topic, individuals should be able to successfully correct invoices which were posted or paid in error by accomplishing the following:
  - Move Disbursements to the correct FCS
  - Correct payments made to the wrong vendor's account
  - Correct payments blocked because of posting data errors
  - Cancel First Transactions and resubmit corrected invoices

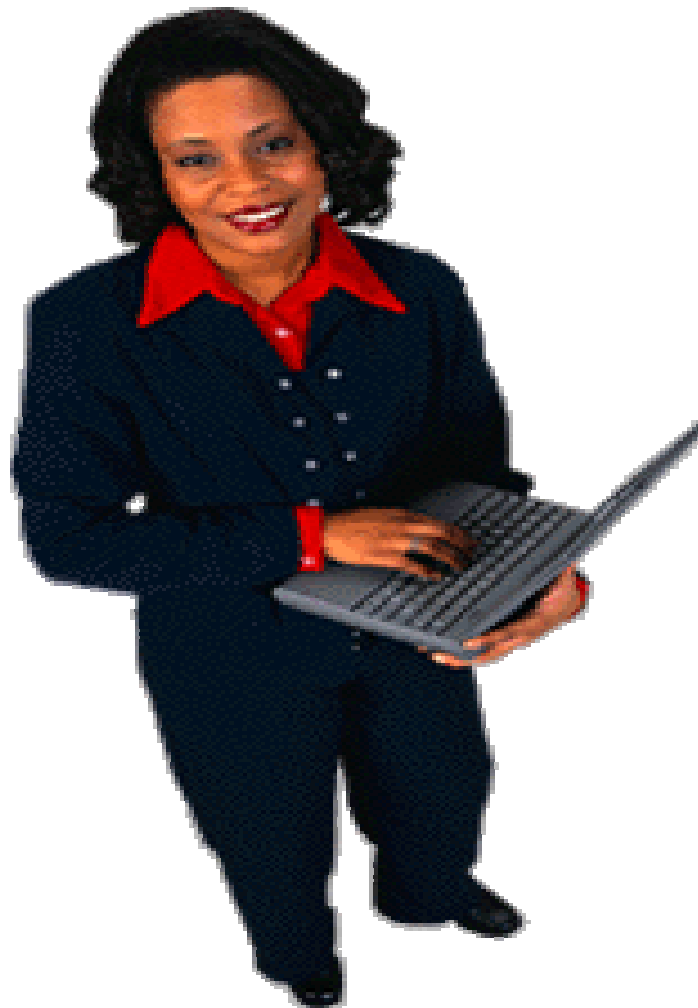
# Topic 3: Process Flow



## Correct Erroneous Posted or Paid Invoice



# Demonstration and Exercise Introduction



# Topic 3: Demonstration and Exercises



- **Move Disbursements**
- **Reverse Invoice & Make Corrections, Re-enter Invoice and Post**
- **Cancel First Transaction in SAP, Re-enter Invoice**
- **Cancel Disbursement, Create and Post Credit Memo, Clear Document and Post Corrected Invoice (Discussion only)**



- Turn in appropriate documentation to the Accounts Receivable personnel to collect from the vendor that were paid in error.
- Always reference the original SAP invoice document number in the invoice screen as well as on the hard copy of the invoice.
- Create a JV for the Move Disbursement Activity **only** if the disbursement was moved between two different Funds



# Month End: Create/Cancel LIV Invoice



- Background Information on non valuated Goods Receipt
- At the end of the month, review list of non-valuated Goods Receipt without Invoice Report
- Create Temporary LIV Invoice (Accrual Invoice) for items received
- Cancel Temporary LIV Invoice the 1<sup>st</sup> working day of the following month

# End of Course Review

# Review Objectives & Expectations



- Everyone here should now be able to:
  - ✓ Enter Invoice or Credit Memo Data in MM
  - ✓ Validate Invoices
  - ✓ Correct Erroneous Posted or Paid Invoices



# Available Resources



- SAP Practice Training Instance
- OLQR
- Super-users within each department
- Job Aids



# Extra Practice - SAP Training Instance



- Use data from course training guide to practice transactions

The training database provides a “safe” environment to develop and practice skills without affecting production.

# Congratulations!

# Training Course Feedback



- The on-line training course feedback will:
  - Assess the effectiveness of the instruction and training materials for the course
- To access the feedback form:
  - Launch your Web Browser
  - Enter the following URL address:  
<http://www.zoomerang.com/recipient/survey-intro.zgi?ID=S92WBAWLSKWA&PIN=994RHHDW8RK7>
  - Complete and submit feedback by following the directions within the on-line form

